

Message Text

UNCLASSIFIED

PAGE 01 BUENOS 04176 201234Z

43

ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15 USIA-15 EB-07

COME-00 TRSE-00 OPIC-06 AID-05 PC-05 /089 W

----- 112233

R 192120Z JUN 75

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC 1577

UNCLAS BUENOS AIRES 4176

E.O. 11652: N/A

TAGS: EGEN, EFIN, AR

SUBJ: T.V. PROGRAM ANALYSES PERONIST ECONOMICS

1. DURING THE VERY WELL-KNOWN TV PROGRAM "TIEMPO NUEVO" SHOWN ON MONDAY JUN 16, BERNARDO NEUSTADT AND MARIANO GRONDONA (POLITICAL COMMENTATORS) INTERVIEWED DR. FELIX ELIZALDE, FORMER CENTRAL BANK PRESIDENT (UNION CIVICA RADICAL), DR. ALFREDO CONCEPCION, CONGRESSMAN (UNION CIVICA RADICAL), AND ECONOMIST JUAN CARLOS DE PABLO. THIS VIDEO-TAPE HAD BEEN ORIGINALLY ESCHEDULED FOR MONDAY, JUNE 9 BUT WAS POSTPONED FOR "TECHNICAL REASONS". THE PARTICIPANTS MADE SEVERE CRITICISMS OF THE ECONOMIC POLICY IMPLEMENTED BY GOA DURING THE LAST YEAR, MAINLY: A) TIGHT AND PROLONGED PRICE CONTROLS WHICH RESULTED IN GENERAL DISTORTION OF PRODUCTION,

B) UNCONTROLLED AND UNPLANNED GOVERNMENT EXPENDITURES (TRANSFERS TO PROVINCES AND GOVERNMENT ENTERPRISES, D) EXPROPRIATION OF PROFITABLE COMPANIES FOR ULTRANANTIONALISTIC REASONS, E) TAKING OVER DEFICIT-REDDEN PRIVATE ENTERPRISES, F) THE MAINTENANCE OF AN UNREALISTIC EXCHANGE RATE WHICH ENCOURAGED UNNECESSARY IMPRTS, PROMOTED TRAVELS ABROAD, AND DEPRESSED EXPORTS, CAUSING A CRISIS IN BALANCE OF PAYMENTS.

2. WHEN REQUESTED HIS OPINION ON RECENT GOA MEASURES TO CHANGE CURRENT SITUATION, ELIZALDE SAID RADICALS WOULD NOT HAVE APPLIED SUCH DRASTIC CHANGE, WHILE ECONOMIST DE PABLO SAID THAT GOA HAS UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BUENOS 04176 201234Z

TAKEN CORRECT MEASURES. HE ADDED THAT DEVALUATION AND PRICE IN-

CREASES ON FUELS AND OTHER SERVICES AND COMMODITIES NOT HIGH
TAKING INTO ACCOUNT CURRENT ANNUAL INFLATION RATE OF ABOUT 100
PERCENT.

3. THE THREE FORECASTED A DROP IN DOMESTIC DEMAND, BUT WHILE
ELIZALDE AND CONCEPCION BELIEVED THAT THIS WILL HAVE A RECESIVE
EFFECT WHICH WILL AFFECT LOWER INCOME SECTORS, DE PABLO WAS MORE
OPTIMISTIC AND STATED THAT HIGH LEVEL OF EMPLOYMENT WILL BE
MAINTAINED. PROGRAM WAS COMPLEMENTED BY EXPOSITION MADE BY THE
FREJULI CONGRESSMAN JUAN LABAKE WHO OUTLINED GENERAL ECONOMIC
POLICY AND STATED THAT OTHER IMPORTANT MEASURES WILL BE ANNOUNCED
BY ECONOMIC MINISTER RODRIGO. LABAKE EXPLAINED THAT EVEN THOUGH
MEASURES TAKEN APPEAR UNPOPULAR, GOVERNMENT WILL IMPLEMENT
NECESSARY ACTION TO MAINTAIN REAL INCOME OF WORKERS. HE ANNOUNCED GOA
PLANS TO ELIMINATE PERSONAL INCOME TAX AND IMPLEMENTATION OF NEW AND
HIGH TAX ON LUXURY ITEMS SUCH AS AUTOMOBILES, YACHTS, TV SETS, AND
OTHER TAXES ON NON-PRODUCTIVE ASSETS INCLUDING VACANT APARTMENTS,
IN ORDER TO TRANSFER EXPENDITURES FROM LUXURY ITEMS TO SAVING
AND PRODUCTIVE INVESTMENTS. HE ALSO SAID THAT THERE WILL BE NO
RECESSION, SINCE IMPLEMENTATION OF PUBLIC INVESTMENT PLAN WILL
BE INSURED BY INFLOW OF MONEY TO PUBLIC SECTOR, AND PRIVATE
INVESTMENT WILL GROW WITH TAX REFORM.
MONTLLOR

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC PROGRAMS, ECONOMIC ESTIMATES, TELEVISION BROADCASTING
Control Number: n/a
Copy: SINGLE
Draft Date: 19 JUN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975BUENOS04176
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750215-0701
From: BUENOS AIRES
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750632/aaaabcox.tel
Line Count: 84
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 27 FEB 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <27 FEB 2003 by PhilliR0>; APPROVED <09 MAR 2004 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: T.V. PROGRAM ANALYSES PERONIST ECONOMICS
TAGS: EGEN, EFIN, SOPN, ECON, AR, (NUESTADT, BERNARDO), (GRONDONA, MARIANO), (ELIZALDE, FELIX), (CONCEPCION, ALFREDO), (DE PABLO, JUAN CARLOS)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006